



## LOCAL WATER UTILITIES ADMINISTRATION

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Administrator's Direct Line: (02) 929-61-07  
LWUA Website: www.lwua.gov.ph

July 4, 2017

MEMORANDUM CIRCULAR NO. 013-171

**TO : ALL WATER DISTRICTS**

**SUBJECT : VALIDITY OF PUBLIC HEARINGS CONDUCTED BY WATER DISTRICTS**

Pursuant to LWUA Board of Trustees Res. No. 31 dated May 8, 2017 on the validity of public hearings conducted by Local Water Districts, all public hearings conducted for purposes of tariff setting/adjustment shall be considered valid only for a period of not more than five (5) years.

The five (5) -year validity periods adopted by the Board shall be prospective in application and that all pending water rates recommendation submitted prior to approval of the policy shall not be covered by it.

For your information and guidance.

  
**JECI A. LAPUS**  
Acting Administrator



LOCAL WATER UTILITIES ADMINISTRATION

# BOARD OF TRUSTEES RESOLUTION

SUBJECT: VALIDITY OF PUBLIC HEARINGS CONDUCTED BY WATER DISTRICTS

## RESOLUTION NO. 31 Series of 2017

**WHEREAS**, the Board directed Management to submit a study relative to the validity of public hearings conducted by Water Districts for purposes of tariff setting/adjustment;

**WHEREAS**, in compliance with the said directive, Management submitted a Memorandum for consideration by the Board of Trustees dated 28 June 2016;

**WHEREAS**, Section 5 of Letter of Instructions (LOI) 700 issued in 1978 provides that *"The water district concerned shall conduct public hearings prior to any proposed increase in water rates."*

**WHEREAS**, LWUA BOT Resolution No. 85 Series of 1993 (GUIDELINES ON THE CONDUCT OF PUBLIC HEARINGS FOR ANY PROPOSED WATER RATES INCREASE) states:

"A public hearing in the context of these guidelines shall mean a forum a medium of public discussion or consultation between the water district and its constituency, the primary purpose of which is to inform the latter about a proposed water rates increase and the justifications appertaining thereto. For the concessionaires and the general public, this undertaking serves as a venue for airing their opinions, criticisms and counter suggestions to the issues at hand when necessary."

**WHEREAS**, Paragraph 1.1 of the same Resolution was revised by way of BOT Resolution 99, Series of 1999, to read:

Date Adopted  
08 May 2017

957<sup>th</sup>  
Regular/Special Meeting

I, the undersigned, hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Trustees of the Local Water Utilities Administration on May 8, 2017.

  
ATTY. RODELO G. FRANCO  
Board Secretary



LOCAL WATER UTILITIES ADMINISTRATION

**BOARD OF TRUSTEES RESOLUTION**

**SUBJECT: VALIDITY OF PUBLIC HEARINGS CONDUCTED BY WATER DISTRICTS**

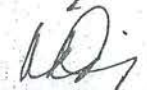
**WHEREAS**, after due deliberation, the Board agreed to consider public hearings conducted by LWDs, for purposes of tariff setting/adjustment, valid only for a period of not more than five (5) years;


**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved, to approve that henceforth public hearings conducted by Local Water Districts for purposes of tariff setting/adjustment shall be considered valid only for a period of not more than five (5) years;


**RESOLVED, FURTHER**, that the five (5) year validity period herein adopted by the Board shall be prospective in application and that all pending water rates recommendation submitted prior to this approval shall not be covered by it.

**APPROVED:**

  
HON. ROGELIO B. LUY  
Chairman

  
HON. MARK DENNIS Y. C. JOVEN  
Official Alternate of  
DOF Secretary Dominguez

  
HON. MARIA CATALINA E. CABRAL  
Official Alternate of  
DPWH Secretary Villar

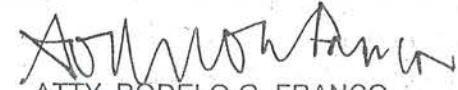
  
HON. GERARDO V. BAYUGO  
Official Alternate of  
DOH Secretary Ubial

  
HON. JECI A. LAPUS  
Acting Administrator

Date Adopted  
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957<sup>th</sup>  
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**BOARD OF TRUSTEES RESOLUTION**

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*"1.1 All proposals for rate increase shall be first submitted to LWUA for advice and consultation. The proposal shall be limited to water rate increases within the next five (5) years but not more than three (3) step increases per public hearing. The rest of the projected water rate increases shall be formally presented in later public hearings."*

WHEREAS, Chapter 8, Section 7 of the LWUA Manual on Water Rates and Related Practices, states that:

*"VALIDITY OF PUBLIC HEARING*

*Public hearing remains valid if the level of rates as presented in such hearing is the same as that being submitted to LWUA for review and approval. Otherwise, another public hearing must be conducted if the level of rates is higher than what was originally presented in said hearing."*

WHEREAS, the Guidelines in the Preparation of Cash Flow Projections (LWUA Resolution No. 2, Series of 2016) specifies a 10-year projected financial scenario for purposes of establishing basis for LWUA's approval of WD rate adjustments, financial/loan proposals and debt relief applications;

WHEREAS, the Business Plans required of WDs, on the other hand, typically cover a period of five (5) years and are updated annually;

WHEREAS, noting that some WD proposals include rates presented in public hearings conducted as far back as 1998, the Board agreed that public hearings involving water rate adjustments should be covered by a defined validity period, as projections and assumptions made at the time the hearing was conducted may no longer be valid;

WHEREAS, it is in the best interest of the Water Districts and its consumers to define such validity period, as it will provide for additional periodic consultations in addition to their present public information and public relation programs;

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